

June 9, 2003

ORGANIZATION: Nuclear Energy Institute (NEI)

SUBJECT: SUMMARY OF LICENSE RENEWAL MEETING BETWEEN THE
U.S. NUCLEAR REGULATORY COMMISSION'S (NRC'S) LICENSE
RENEWAL STEERING COMMITTEE, NRC STAFF, AND NEI'S LICENSE
RENEWAL WORKING GROUP AND TASK FORCE

A meeting was held on May 16, 2003, to discuss the status of license renewal activities. The meeting began with discussions between the NRC's License Renewal Steering Committee (LRSC) and NEI's License Renewal Working Group on the status of license renewal applications, generic license renewal activities, and the impacts of limiting the number of renewal applications under review at any one time. The meeting then continued with further discussions between the NRC staff and NEI representatives on limiting the number of renewal applications under review. Attendees at the meeting are listed in Enclosure 1. The meeting agenda and the NRC staff's presentation materials are contained in Enclosure 2. A summary of the discussions held at the meeting follows.

I. Meeting between the NRC License Renewal Steering Committee and NEI License Renewal Working Group

A. Status of applications

The renewed licenses for Peach Bottom, Units 2 and 3, were issued on May 7, 2003. Recent accomplishments and upcoming activities were briefly discussed for the remaining seven applications. All of the application reviews are on schedule.

B. NEI reorganization and project management

Alex Marion and Fred Emerson have taken over responsibility for license renewal project management from Alan Nelson.

C. Lessons learned and license renewal guidance development

(1) Renewal application standardization

NEI established a task force which met with the NRC staff to develop a preferred format for future renewal applications. The format better defines the method of incorporating the Generic Aging Lessons Learned (GALL) Report (NUREG-1801) into renewal applications to obtain the intended efficiencies. NEI submitted the industry's proposed standard license renewal application format for NRC staff review and the staff has concurred with the format. NEI stated that the format is being used by future applicants, beginning with the two remaining applications scheduled for submittal in 2003.

(2) Update of industry guidance NEI 95-10

NEI is revising its guidance document, "Industry Guideline for Implementing the Requirements of 10 CFR Part 54 -- the License Renewal Rule," NEI 95-10, Revision 3, to incorporate the standardized application format, approved interim staff guidance, and other lessons learned from the preparation and review of renewal applications. NEI plans to submit the revision for NRC review in early July 2003. A late July meeting is planned to discuss the proposed revision to NEI 95-10. NEI proposes that the staff endorse the revised guideline in a revision of NRC Regulatory Guide 1.188, "Standard Format and Content for Applications to Renew Nuclear Power Plant Operating Licenses," as was previously done with NEI 95-10, Revision 3.

(3) Interim staff guidance (ISG) status

An ISG process is being used to document lessons learned from the ongoing license renewal application reviews and to provide guidance in the interim until the applicable guidance documents (regulatory guide, standard review plan, or GALL report) are revised. There are 16 ISGs of which 5 have been completed. The staff is considering 2 new ISGs. NEI indicated that they would like ISG No. 11, "Aging Management of Environmental Fatigue for Carbon/Low Alloy Steel," to be resolved as soon as possible because of the expected cost benefits for preparation and review of renewal applications. The NRC staff responded that the review is on schedule and that requests for additional information will be issued in July 2003.

(4) Application review cost comparisons

At the February 12, 2003, meeting, NEI had requested that the staff review the resource expenditures for past applications and provide an assessment at the next meeting. The NRC staff provided the graph on page 1 of Enclosure 2 which shows the cumulative direct expenditure rate for past and current single site applications. For applications involving the use of contractors for the safety review, the contractor costs were converted into full time equivalent (FTE) staff per the resource model to provide consistent comparisons. Completed applications and applications that are currently under review are all within budget.

(5) Generic Environmental Impact Statement update and environmental issues

The staff provided information on plans to begin later this summer the periodic update of NUREG-1437, License Renewal Generic Environmental Impact Statement (GEIS), (see page 2 of Enclosure 2). Specifically, the *Federal Register* notice announcing the intent to update the GEIS and conduct scoping meetings will be issued in June 2003 and regional scoping meetings will be held in July 2003.

A concern was raised that the NRC had changed its position on the documentation of new and significant information in the environmental report. The staff noted that the regulations only require that applicants provide any new and significant information of which they are aware, but that requests for information regarding the process used to reach that determination were consistent with the staff's position documented in a July 18, 2000, summary of a meeting between NRC and NEI. Industry's concern is that this information is now being requested under oath or affirmation, and it was agreed that additional dialogue on this topic may be useful.

D. License renewal interest

(1) Future renewal application submittals

Page 3 of Enclosure 2 shows the latest information the NRC has regarding licensee plans for submitting license renewal applications. No changes to the submittal plans shown were identified at the meeting.

(2) Limiting of renewal reviews

The NRC needs to establish a predictable workload to manage regulatory product lines and level demands for resources. The fiscal year 2004 budget must accommodate increased resource needs for competing priorities (see pages 4 and 5 of Enclosure 2). The NRC staff evaluated options for funding the four major programs and reactive efforts and proposed to limit the number of license renewal applications under review at any one time to eight applications. Limiting the number of applications under review would allow the NRC to continue established product lines and better balance resources among the critical programs. The schedule impacts of limiting the number of applications to eight are shown on page 6 of Enclosure 2.

NEI indicated that future applicants can be divided into two groups with regards to the impact of limiting the number of renewal reviews. The first group involves licensees who have made the capital expenditure decisions to pursue license renewal and established renewal project teams which are committed to the project for the duration of application preparation and staff review. Delaying review of these renewal applications would have significant cost impacts. Future applicants in this group involve the next seven to eight renewal applications. NEI indicated the estimated impacts of delays to be between \$150,000 and \$200,000 per month. For licensees with multiple plants, delays in the review may require disbanding a team that was intended to sequentially prepare applications. The second group would involve licensees who are planning submittals further in the future and have not yet formed their renewal project teams. These licensees and the NRC staff may be able to meet and resolve scheduling concerns.

The decision to submit a renewal application and the timing of the submittal is a plant-specific decision made by individual licensees that NEI cannot resolve. The NRC and the individual applicants will need to work together to resolve scheduling concerns. The NRC is being limited on budget increases so that any increase for license renewal reviews would come at the expense of other NRC programs. The staff's proposed budget based on limiting the license renewal review to only eight applications is currently a recommendation that has not been reviewed yet by the Commission. The NRC staff requested in its letter to NEI, "Resource Needs for License Renewal Application Reviews," dated April 18, 2003 (Accession No. ML031080527), that NEI address the impacts of limiting the number of application reviews. At the meeting, the staff also requested that NEI address that if more resources are to be applied to license renewal, which of the other NRC programs should be considered for reduction or elimination.

E. Public Participation

No member of the public chose to participate in this portion of the meeting.

II. NEI and NRC staff discussions

A. Limiting the number of applications under review by the NRC

NEI indicated that it would survey licensees to obtain cost impacts of delaying license renewal reviews and will respond to the NRC's April 18, 2003, letter. This topic may also be discussed at the upcoming senior management meeting in June 2003. The NRC staff and NEI agreed to meet in June to discuss this issue further and the results of NEI's assessment.

B. Public Participation

No member of the public chose to participate in this portion of the meeting.

/RA/

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License Renewal and Environmental Impacts Program
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Office of Nuclear Reactor Regulation

Project No. 690

Enclosures: As stated

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MAY 16, 2003

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3. Steve Hoffman	NRC/NRR/DRIP/RLEP
4. Steve Hale	FPL
5. Alan Nelson	NEI
6. Alex Marion	NEI
7. Talmage Clements	Progress Energy
8. P. T. Kuo	NRC/NRR/DRIP/RLEP
9. Frank Gillespie	NRC/NRR/DRIP
10. R. W. Borchardt	NRC/ADIP
11. Brian Sheron	NRC/ADPT
12. Stephen Burns	NRC/OGC
13. Sam Lee	NRC/NRR/DRIP/RLEP
14. Butch Burton	NRC/NRR/DRIP/RLEP
15. Ram Subbaratnam	NRC/NRR/DRIP/RLEP
16. Jack Cushing	NRC/NRR/DRIP/RLEP
17. Jimi Yerokum	NRC/NRR/DRIP
18. S. K. Mitra	NRC/NRR/DRIP/RLEP
19. T. J. Kim	NRC/NRR/DRIP/RLEP
20. Barry Zalzman	NRC/NRR/DRIP/RLEP
21. Janice Moore	NRC/OGC
22. Gary Adkins	TVA
23. Nancy Chapman	SERCH/Bechtel
24. Steve Pope	Constellation
25. Roger Newton	NMC
26. Michael Summer	Duke
27. Natalie Mosher	Entergy
28. Garry G. Young	Entergy
29. Alan Cox	Entergy
30. Eric Blocher	Parsons
31. Richard Grumbir	AEP
32. Cary W. Fleming	Winston & Strawn
33. Stephen E. Summer	South Carolina Electric & Gas Co.
34. Bill Dam	NRC
35. Duke Wheeler	NRC/NRR/DRIP/RLEP
36. Jim Knor	NMC
37. Gregory Twachtman	McGrawhill
38. Bernie VanSant	OPPD
39. Bill Corbin	Dominion
40. John Tappert	NRC/NRR/DRIP/RLEP

41. Fred Polaski	Exelon
42. Peter Kang	NRC/NRR/DRIP/RLEP
43. Darrel Turner	NMC
44. Michael Semmler	Duke
45. Chuck Pierce	Southern Nuclear
46. Richard Hill	Southern Nuclear
47. Dean Raleigh	LIS, Scientech
48. Pete Mazzaferro	Constellation
49. Tim Abney	TVA-Browns Ferry
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51. Raj Auluck	NRC/NRR/DRIP/RLEP

☎ By telephone